UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

March 10, 1926

F.S.
C-6

# FOREIGN NEWS ON COTTON

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## INCREASE IN WORLD'S COTTON MILL CONSUMPTION

World mill consumption of cotton of all growths was 12,289,000 running bales for the six months ending January 31, 1926, or an increase of 10 per cent over the 11,168,000 bales consumed the six months ending January 31, 1925 according to the International Federation of Master Cotton Spinners' and Manufacturers' Associations. Last season consumption for the last half of the season was over 900,000 bales greater than for the first half. Mill consumption of American cotton was 6,987,000 bales for the half year ending January 31, 1926 compared with 7,049,000 bales for the previous half year. Consumption of Indian and Egyptian cotton showed little change for the two periods, while total consumption of growths other than American, Indian, and Egyptian, showed considerable increase.

Stocks of cotton of all kinds were greater on January 31, 1926 than six months or a year ago. On January 31, 1926 mill stocks of all kinds of cotton were 4,637,000 running bales, of American 2,827,000 bales; on January 31, 1925 stocks of all kinds were 3,959,000 bales and of American 2,369,000 bales. Details of stocks and consumption are shown in the following table:

WORLD MILL CONSUMPTION AND STOCKS

(Running bales)

| | American | Indian | Egyptian | Sundries | Total |
|---|---|---|---|---|---|
| | 1,000 bales | 1,000 bales | 1,000 bales | 1,000 bales | 1,000 bales |
| | | | Mill Consumption | | |
| Half year ending | | | | | |
| Jan. 31, 1925 | 6,207 | 2,732 | 500 | 1,729 | 11,168 |
| July 31, 1925 | 7,049 | 2,789 | 470 | 1,818 | 12,126 |
| Half year ending | | | | | |
| Jan. 31, 1926 | 6,987 | 2,712 | 422 | 2,148 | 12,289 |
| | | | Mill stocks | | |
| Jan. 31, 1925 | 2,369 | 738 | 197 | 655 | 3,959 |
| July 31, 1925 | 1,833 | 1,599 | 181 | 654 | 4,267 |
| Jan. 31, 1926 | 2,827 | 974 | 199 | 637 | 4,637 |

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

May 13, 1926.

F.S.
C-7

# FOREIGN NEWS ON COTTON

## COTTON CULTIVATION IN ARGENTINA AND AUSTRALIA

### ARGENTINA

Active efforts are being made in Argentina to increase cotton cultivation, but the expansion of the industry is proceeding at only a moderate rate. The fact that the climate and soil are favorable leads authorities to believe that the industry will grow steadily, but many obstacles are preventing rapid expansion, the most important being; a lack of an adequate labor supply and an adequate transportation system, the poor quality of the ginning, severe attacks from grasshoppers, an inefficient system of marketing, and mixed varieties of cotton.

Reports as to the prospective crop this season have been favorable. Acreage is estimated at 272,600 by the International Institute of Agriculture, compared with an area of 258,300 acres and a production of 67,300 bales of 478-pound equivalents in 1924-25. Ambassador Jay at Buenos Aires reports that the crop has matured well and a yield of 120,000 running bales (a bale averages about 440 pounds) is thought possible by some of the trade. The uncertainty, however, as to whether it will be possible to pick the crop this year and put it on the market makes it almost impossible to make a reliable estimate at this time.

Ambassador Jay reports that both cotton and corn farmers are competing for the inadequate labor supply in the hope that as much of the crop as possible can be harvested before the usual April - May period of rainy weather. Consequently labor costs are rising, and, of the two groups, the corn growers are on the whole better prepared to pay the higher wages. Since the general condition of the cotton crop is good, and since there is a demand for the better grades this year because of the relatively large proportion of the lower grades in the American crop, Argentine growers expect to export to Europe for the first time. Heretofore, with a much smaller production, the local cotton industry has taken a good part of the crop at prices which made it difficult for the exporter to ship cotton at a profit.

### AUSTRALIA

Although extravagant predictions of an enormous output of cotton are doomed to be shattered, the outlook for cotton growing in Australia is better than it has been at any time, states a correspondent in the "Manchester Guardian Commercial". Prices have been guaranteed by the Government for another year, and it is hoped that this will be followed by the system of bounty and the elimination of government control.

The writer asserts that cotton growing can be made profitable under the following conditions.

(1) Cultivating cotton as a sideline with dairying, agriculture or mixed farming.
(2) The areas must not be too large for the small man.
(3) Larger areas can be cultivated by men with larger resources.
(4) The cultivation of a good type.
(5) Ratooning must be abandoned.

Over 3,000 new growers have applied for seed and of these 600 are in the new Upper Burnett county which the Queensland government is now opening up. According to the International Institute of Agriculture the area for 1924-25 was 50,000 acres from which 14,400 bales of 478 pounds were produced. Preliminary estimates for 1925-26, however, show a reduction to 8,500 bales. Dry conditions in October are chiefly responsible for the reduction.

## ANGLO-EGYPTIAN SUDAN

In Anglo-Egyptian Sudan where a large area has been brought under cotton cultivation this season as a result of the opening of the Makwar dam, the production this season is expected to reach 101,500 bales of 478 pounds, according to a cablegram received by the United States Department of Agriculture from the International Institute of Agriculture. This represents an increase of 149 per cent over the production last year, which was placed at 40,700 bales.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington

F.S.
C-8

June 1, 1926.

# FOREIGN NEWS ON COTTON

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## WORLD COTTON MARKETS GENERALLY DULL

The dominating influence in the cotton market at present is the weather in the cotton belt as it affects prospects for the new crop. In considering the marketing prospects for cotton, however, the grower will do well to keep in mind the situation in foreign markets, and prospective future foreign demand for raw cotton. Foreign demand is particularly important at present, as exports are lagging behind last year in the face of a record world production. A large amount of cotton is being held in the United States, stocks both at interior towns and United States ports being considerably above last year and higher than for some years previous. The immediate outlook for a substantial improvement in the European cotton market does not appear bright although there is some indication that conditions in the German industry will improve as the effects of the economic depression pass. Increasing exports of raw cotton to Japan have been noticeable this year, and demand from that country continues to be good.

Latest available information from Europe indicates little hope for an active demand from the spinners in the immediate future. In the American section in Lancashire, business is especially dull, stocks of yarn having accumulated. Demand from India and China, England's chief markets for cotton goods, continues slow. In Italy and France, mills are active but the outlook is uncertain. Germany is going through a severe depression, the textile industry having been one of the first to suffer. From all indications, however, the worst of the business depression in Germany has been passed, states Agricultural Commissioner Schoenfeld at Berlin, and the apparent improvement in Germany's economic conditions is expected to strengthen the German market for American cotton. Conditions in other central European countries are still very dull according to G. C. Haas, American Agricultural Commissioner at Vienna. Exports to Japan have shown a big increase this season over last, the total for the 10 months ending April 30, 1926 being nearly 200,000 bales greater than for the corresponding period last year. The warehoused stocks of raw cotton in Japan at the end of March, however, amounted to 50 per cent over the preceding month and were the highest month-end totals ever reported, according to a report issued by the Department of Commerce.

World mill consumption of all growths for the first six months (August-January) of 1925-26 was only 1,121,000 bales greater than for the corresponding period in 1924-25. For the past few months exports have fallen below those of last year, and buying has proceeded on a hand-to-mouth basis. Last year consumption during the second half of the season was greater than the first half. From all indications the situation will be reversed this season.

Cotton prices are now moving within narrower limits than they have since early in the season, but this stabilization has not stimulated buying. The downward trend in cotton prices has reversed the position of the cotton grower as compared with last year. In the United States, farm prices for April 1925, expressed as percentages of the average monthly price for August 1909 to July 1914, showed the cotton farmer at an advantage relative to growers of other products. In April of this year, however, several products were bringing relatively higher prices, and the decline in cotton has been greater than in other principal farm products. Likewise in Egypt and India, the decline in the relative price of cotton has been greater than in other agricultural commodities, but the price of cotton in these countries still occupies a high position relative to other farm products.

The preceding statements are illustrated by the following tables:-

UNITED STATES: Index numbers of prices received by producers at local farm markets.

| | April. 1925 | April. 1926 | % increase or decrease |
|---|---|---|---|
| Cotton and cottonseed | 189 | 135 | - 29 |
| Grains .............. | 152 | 131 | - 14 |
| Fruits and vegetables | 146 | 253 | + 73 |
| Meat animals ........ | 146 | 146 | 0 |
| Dairy and poultry ... | 131 | 133 | + 2 |
| Unclassified ........ | 94 | 83 | - 12 |
| All groups .......... | 147 | 140 | - 5 |

Aug. 1909 - July 1914 = 100
Source: Division of Crop and Livestock Estimates, Bureau of Agricultural Economics.

EGYPT: Index numbers of wholesale prices at Alexandria.

| | Jan. 1925 | Jan. 1926 | % increase or decrease |
|---|---|---|---|
| Cotton (G. F. Sakel) | 275 | 163 | - 41 |
| Wheat .............. | 175 | 154 | - 12 |
| Maize .............. | 130 | 119 | - 8 |
| Rice ............... | 132 | 154 | + 17 |
| Millet ............. | 129 | 113 | - 12 |

Jan. 1, 1913 - July 31, 1914 = 100
Source: Monthly Agricultural and Economic Statistics. Jan. 1926. Ministry of Agriculture, Cairo.

INDIA: Index of wholesale prices at Calcutta.

| | Feb. 1925 | Feb. 1926 | % increase or decrease |
|---|---|---|---|
| Raw cotton ......... | 217 | 156 | - 28 |
| Raw jute ........... | 132 | 172 | + 30 |
| Cereals ............ | 135 | 139 | + 3 |
| Sugar .............. | 205 | 167 | - 18 |
| Oilseeds ........... | 154 | 131 | - 15 |

July, 1914 = 100

Source: Indian Trade Journal, March 25, 1926.

The recent slackened demand in the United States and continued slow demand abroad makes more probable the prediction made in the "Outlook report" in February that stocks at the end of this season might reach the point where they would be burdensome.

The statistical position of cotton as of May 21 is shown as follows:

| | Friday May 21, 1926 | Friday May 22, 1925 |
|---|---|---|
| World's visible supply ....... | 5,199,418 | 4,032,491 |
| World takings to date ........ | 18,466,378 | 17,945,099 |
| U.S. exports to date ......... | 7,137,408 | 7,528,751 |
| Stocks, U.S. interior towns .. | 1,345,833 | 379,966 |
| Stocks, U.S. ports ............ | 844,585 | 561,725 |
| World production ............. | a/ 27,800,000 | b/ 24,800,000 |
| Spot price (New Orleans) ..... | 17.97¢ | 23.60¢ |

Source: Supply, takings, exports, and stocks from the "Commercial and Financial Chronicle". Production and price from the Bureau of Agricultural Economics.

a/ Season 1925-26. b/ Season 1924-25.

UNITED STATES: Exports of cotton, unmanufactured, by countries, July-April 1924-1925 and 1925-1926
(Bales of 500 pounds gross)

| Country to which exported | 10 months July, 1924-Apr. 1925 | 10 months July, 1925-Apr. 1926 | April 1925 | April 1926 | April, 1926 Long staple | April, 1926 Short staple |
|---|---|---|---|---|---|---|
| | Bales | Bales | Bales | Bales | Bales | Bales |
| LONG AND SHORT STAPLE: | | | | | | |
| United Kingdom | 2,508,729 | 2,096,332 | 121,691 | 136,971 | 20,873 | 116,098 |
| Germany ....... | 1,649,708 | 1,554,700 | 89,334 | 78,206 | 2,741 | 75,465 |
| France ....... | 881,714 | 854,345 | 39,856 | 45,809 | 9,171 | 36,638 |
| Italy ........ | 670,361 | 642,653 | 63,121 | 66,426 | 6,774 | 59,652 |
| Spain ........ | 260,209 | 284,086 | 15,257 | 17,257 | 891 | 16,366 |
| Soviet Russia in Europe ...... | 217,554 | 181,727 | 35,529 | 24,636 | 0 | 24,636 |
| Belgium ...... | 197,672 | 173,085 | 13,183 | 15,455 | 2,845 | 12,610 |
| Netherlands .. | 138,649 | 108,609 | 8,343 | 2,781 | 507 | 2,274 |
| Sweden ....... | 56,844 | 54,200 | 2,204 | 2,614 | 407 | 2,207 |
| Other Europe . | 84,494 | 93,096 | 10,774 | 8,371 | 734 | 7,637 |
| Total Europe | 6,665,934 | 6,042,833 | 399,292 | 398,526 | 44,943 | 353,583 |
| Canada ....... | 172,001 | 208,653 | 18,865 | 16,815 | 4,658 | 12,157 |
| Japan ........ | 813,001 | 1,005,401 | 29,221 | 87,058 | 1,572 | 85,486 |
| China ........ | 37,873 | 72,135 | 3,473 | 10,237 | 105 | 10,132 |
| Other countries | 11,980 | 14,765 | 809 | 3,340 | 563 | 2,777 |
| Total exports | 7,700,789 | 7,343,787 | 451,660 | 515,976 | 51,841 | 464,135 |
| Total imports a/ | 288,712 | 300,943 | 23,440 | 35,005 | | |
| Total reexports a/ | 7,874 | 3,072 | 707 | 986 | | |
| Net exports .. | 7,419,951 | 7,045,916 | 428,927 | 481,957 | | |
| LINTERS: | | | | | | |
| Germany ....... | 110,166 | 25,372 | 22,009 | 3,752 | | |
| France ....... | 16,062 | 14,493 | 2,231 | 1,606 | | |
| United Kingdom | 15,548 | 18,468 | 2,211 | 2,102 | | |
| Other Europe .. | 25,066 | 16,316 | 6,208 | 1,799 | | |
| Total Europe | 166,842 | 74,649 | 32,659 | 9,259 | | |
| Canada ....... | 8,264 | 10,898 | 699 | 1,648 | | |
| Other countries | 313 | 433 | 3 | 8 | | |
| Total exports | 175,419 | 85,980 | 33,361 | 10,915 | | |

Compiled from official records of the Bureau of Foreign and Domestic Commerce.

a/ Bales of 478 pounds net.

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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
Washington



September 13, 1926

F.S.
C-9

FOREIGN NEWS ON COTTON

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GERMAN DEMAND FOR AMERICAN COTTON

The present situation in the German cotton spinning industry points to an increased demand for cotton in the immediate future, while the outlook for longer time demand is not particularly bright, although showing a gradual and steady improvement, according to a report received from G. C. Haas, Agricultural Commissioner at Berlin. The factors which are producing this immediate favorable demand outlook, i.e. low mill stocks of raw cotton, reported undersupply of cotton garments in consumers' hands and the improved employment situation in certain industries are of a tempô- or seasonal nature and are not indicative of the rate of improvement to be expected over a longer period of time. Conditions which determine the rise in the long time demand trend are improving slowly, however, but will probably be at a low level for some months, states Mr. Haas.

The immediate demand for cotton will undoubtedly be influenced favorably by the recent low supply of stocks of cotton on hand in German mills this supply being lower than at the end of any half year since July 31, 1924. Stocks on hand in German mills on July 31, 1926 are indicated in the following table:

COTTON: German mill stocks on July 31, 1926 as reported by mills representing 90 percent of German cotton spindles, with comparison 1/
(In running bales)

| Date | American | Indian | Egyptian | Sundries | Total |
|---|---|---|---|---|---|
| | Bales | Bales | Bales | Bales | Bales |
| July 31, 1926 - as reported 1/ ......... | 88,950 | 23,227 | 6,008 | 1,813 | 119,998 |
| Raised by 10 % ... | 98,000 | 25,000 | 7,000 | 2,000 | 132,000 |
| Jan. 31, 1926 ....... | 142,000 | 30,000 | 9,000 | 4,000 | 185,000 |
| July 31, 1925 ....... | 124,000 | 51,000 | 11,000 | 6,000 | 192,000 |
| Jan. 31, 1925 ....... | 125,000 | 20,000 | 13,000 | 4,000 | 162,000 |
| July 31, 1924 ....... | 65,000 | 46,000 | 7,000 | 6,000 | 124,000 |
| Jan. 31, 1924 ....... | 67,000 | 23,000 | 6,000 | 4,000 | 100,000 |

1/ As reported by the German Cotton Spinners Association from returns received from mills representing 90 per cent of all German cotton spindles. Statistics of stocks for other dates are those reported by the International Federation of Master Cotton Spinners on the basis of an actual census received from approximately 90 per cent of all mills, estimates being added for the other 10 per cent.

Market reports of the Bremer Baumwollbörse indicate that cotton demand is fairly good for prompt and near delivery and very good for prompt sailing contracts of the new crop, and for sailing contracts not later than September 15. Little interest is shown for shipments later than September 15. These reports confirm the somewhat pessimistic trade outlook. Not much significance, however, should be attached to this buying situation, as the general expectation which prevails in the German trade that the crop this year will be large, would produce a slow market even under an otherwise favorable situation. It is certain that a stronger demand will set in as soon as the crop outlook becomes more definite.

Conditions which affect the long time demand trend are improving slowly. Some business recovery in Germany is evident. The course of stocks prices has been upward since the end of last year. Prices of goods sensitive to business changes are increasing. Imports of raw material and semi-manufactured goods are increasing as well as the production of basic raw materials. Business failures have decreased since February and unemployment, although still high, is now decreasing slightly. Improvement of the German economic situation will be accelerated if the French, Belgian and Italian currencies are stabilized. Stabilization of currency in these countries would improve the German cotton situation directly and indirectly. The disappearance of inflation goods from the foreign markets would tend to improve the German export market and result in a general increase in employment, which would be followed by an increase in German purchasing power, improving the domestic demand for cotton goods. Stabilization of these currencies would also have a more direct influence in so far as the imports from the above mentioned countries would be reduced as well as competition in foreign markets of the cotton yarn and goods of French, Belgian and Italian origin.

The depression in the German cotton industry set in in November last year coincident with the general economic depression and the accompanying heavy decline in the German purchasing power. The situation was further aggravated by the heavy imports of foreign yarn and fabrics before October 1, 1925, the date of the new German tariff, which resulted in an oversupply on a weak market and greatly restricted the sale possibilities of the German mills. Some trade observers also attach considerable significance to the change in the style of women's dresses to a short narrow fashion, as well as the tendency to wear fewer and lighter clothes, as a factor reducing demand for cotton goods. The depressed state of the spinning industry during the last half year is reflected in the following table of consumption statistics:

COTTON: German mill consumption for the half year ended July 31, 1926 as reported by mills representing 90 per cent German cotton spindles, with comparisons 1/
(In running bales)

| Half year ended | American | Indian | Egyptian | Sundries | Total |
|---|---|---|---|---|---|
| | Bales. | Bales | Bales | Bales | Bales |
| July 31, 1926 - as reported 1/ ................ | 359,690 | 64,076 | 17,071 | 4,703 | 445,639 |
| Raised by 10 % ..... | 396,000 | 70,000 | 19,000 | 5,000 | 490,000 |
| Jan. 31, 1926 ........... | 479,000 | 132,000 | 24,000 | 12,000 | 647,000 |
| July 31, 1925 ........... | 496,000 | 108,000 | 31,000 | 8,000 | 643,000 |
| Jan. 31, 1925 ........... | 420,000 | 106,000 | 26,000 | 16,000 | 568,000 |
| July 31, 1924 ........... | 424,000 | 123,000 | 27,000 | 10,000 | 584,000 |
| Jan. 31, 1924 ........... | 272,000 | 85,000 | 19,000 | 12,000 | 388,000 |

1/ See footnote preceding table.

Imports of raw cotton the first half of 1926 were 35 per cent lower than for the same period in 1925, and the decrease of net imports of raw cotton for the first half of 1926 as compared with the first half of 1925 was about 52 per cent. This figure is a fair index of the decrease in the mill activity and the cotton yarn business, as mill activity on July 1, 1926 was 51 per cent as compared with about 90 to 100 per cent July 1, 1925. German cotton yarn production in July 1925 reached a level of a monthly production of about 53 to 55 million pounds as compared with 36 to 37 million pounds in July 1926. The low point was reached in May with a production of about 30 million pounds. The April and June cotton yarn production was 32 and 33 million pounds, respectively. Yarn stocks in the mills are said to be higher than usual.

Mill activity on August 1 was estimated to be 61 per cent as compared with 51 per cent on July 1, 1926. This indicates improvement, but the level is still about 30 to 40 per cent below last year.

Recent improvement in the situation of the spinning mills has not influenced the demand for American cotton to any significant extent, primarily because the increased production mainly concerned lower yarn numbers spun from Indian cotton and cotton waste. This, however, is a favorable development in that the situation is moving in an upward direction. The increase in mill activity of 20 per cent from July 1 to August 1 when compared with 13 per cent increase in the July yarn production over the June production is, according to the trade, an indication of the production of higher yarn numbers (less weight per yard) which require higher grade cotton. This points to an improvement in the last weeks in yarn production favoring good and middle grades American cotton.

The situation in the cotton weaving industry is also unsatisfactory, although an improvement, partly seasonal, is to be noticed during the last few weeks. The reasons given for the depression in the cotton industry apply also in particular to the weaving industry, which, in addition, has been hindered by an unfavorable fabric market resulting from the cold and wet weather prevailing during the summer. The supply of so-called summer wear was too large for the much reduced demand. Hopes are entertained that the recent improvement in business will increase consumer purchases. Consumer buying has been very small and the trade assumes that consumer stocks are short. In addition a normal seasonal improvement can be expected at this time of the year.

Cotton yarn and cloth prices, January 1 to July 1, 1926, decreased about 20 to 25 per cent and the price of clothing about 4 per cent, whereas the decrease in raw cotton prices was about 15 per cent, as shown by the following tables.

COTTON YARN AND FABRIC PRICES AT STUTTGART: U.S. Currency
Cents per pound (yarn); cents per yard (cloth)

| | Jan. 13 | Mar. 3 | Apr. 21 | May 19 | June 2 | June 16 | July 7 | Aug. 4 |
|---|---|---|---|---|---|---|---|---|
| Cotton Yarn No. 20 | 37 | 33 | 32 | 31 | 31 | 30 | 29 | 29 |
| " 30 | 44 | 40 | 39 | 38 | 37 | 36 | 35 | 35 |
| " 36 | 45 | 41 | 40 | 39 | 39 | 37 | 36 | 36 |
| " 42 | 47 | 43 | 41 | 40 | 40 | 39 | 38 | 38 |
| 2.88 ft. Cretonne | 14.37 | 12.77 | 12.31 | 12.09 | 12.09 | 11.63 | 11.17 | 11.17 |
| 2.88 " Renforce | 12.77 | 11.63 | 11.17 | 11.17 | 11.17 | 10.72 | 10.26 | 10.26 |
| 3.02 " " | 11.40 | 10.03 | 9.58 | 9.35 | 9.35 | 8.89 | 8.44 | 8.44 |

Source: Stuttgarter Industries & Handels-Börse.

INDICES OF PRICES FOR CLOTHING IN PRUSSIA, 1926
(Average 1913/14 = 100)

| | |
|---|---|
| February | 169.3 |
| March | 168.1 |
| April | 167.0 |
| May | 165.2 |
| June | 164.2 |
| July | 162.7 |

Source: Statistische Korrespondenz.

GERMAN TRADE IN RAW COTTON: January to June, 1923 - 1926
(In running bales)

| Period | Imports | | Exports | | Net Imports | |
|---|---|---|---|---|---|---|
| January to June .. | 1926 | 1925 | 1926 | 1925 | 1926 | 1925 |
| | 608,251 | 923,623 | 269,622 | 209,916 | 338,629 | 713,707 |
| January to June .. | 1924 | 1923 | 1924 | 1923 | 1924 | 1923 |
| | 712,713 | 494,837 | 116,054 | 186,264 | 596,659 | 308,573 |

Compiled from Monatliche Nachweise über den Auswärtigen Handel Deutschlands.

BREMEN TRADE IN RAW COTTON, 1926
(In running bales)

| Kind | Imports July 1926 | Imports July 1925 | Imports August 1, 1925 to July 31, 1926 | Imports August 1, 1924 to July 31, 1925 |
|---|---|---|---|---|
| American .......... | 46,782 | 53,520 | 1,657,878 | 1,728,874 |
| Indian ............ | 265 | 1,236 | 9,700 | 4,592 |
| Sundries .......... | 22 | 130 | 1,095 | 3,672 |
| Total ............. | 47,069 | 54,886 | 1,669,573 | 1,737,138 |

| Kind | Exports July | Exports July | Exports August 1, 1925 to July 31, 1926 | Exports August 1, 1924 to July 31, 1925 |
|---|---|---|---|---|
| American .......... | 78,658 | 120,136 | 1,655,059 | 1,698,248 |
| Indian ............ | 1,179 | 1,190 | 10,270 | 6,445 |
| Sundries .......... | 123 | 683 | 2,575 | 3,586 |
| Total ............. | 79,960 | 122,009 | 1,667,904 | 1,708,279 |

Compiled from Wochenbericht der Bremer Baumwoll Börse.

BREMEN COTTON STOCKS
(In running bales)

| Kind | August 1, 1926 | January 1, 1926 | August 21, 1926 | August 21, 1925 |
|---|---|---|---|---|
| American .......... | 126,909 | 367,746 | 85,566 | 67,820 |
| Indian ............ | 110 | 722 | 447 | 736 |
| Sundries .......... | 890 | 1,790 | 1,248 | 1,737 |
| Total ............. | 127,909 | 370,258 | 87,261 | 70,293 |

Compiled from Wochenbericht der Bremer Baumwoll Börse.

VISIBLE SUPPLY OF RAW COTTON IN BREMEN
(In running bales)

| | August 21, 1926 | Week ago | Year ago |
|---|---|---|---|
| Stocks ............. | 86,000 | 102,000 | 68,000 |
| Sailing for Bremen . | 62,000 | 55,000 | 45,000 |
| On board ........... | 5,000 | 10,000 | 3,000 |
| Total .............. | 153,000 | 167,000 | 116,000 |

Compiled from Wochenbericht der Bremer Baumwoll Börse.

DEMAND FOR AMERICAN COTTON IN CZECHOSLOVAKIA AND AUSTRIA

Restricted mill consumption of raw cotton continues in Csechoslovakia and Austria, reports Agricultural Commissioner Haas at Berlin. New orders have decreased and are now on a comparatively low level. Very small purchases of cotton for August sailing and later have been made to date, indicating that the mills' cotton contracts made some months ago for future delivery still cover the requirements for the immediate future; this fact also indicates that the spinners are pessimistic regarding both demand and price developments during the next few months. Indications of a prospective large cotton crop in the United States has further contributed to produce a cautiout attitude on the part of spinners, in Mr. Haas' opinion. The uncertain price outlook, however, should not be regarded as the fundamental factor influencing the buying policy of the spinners for the next month.

A much more important factor influencing the purchase of American cotton in Czechoslovakia and Austria in the immediate future is the unfavorable demand outlook for cotton products. The demand outlook for cotton yarn continues unfavorable although conditions indicate some slight improvement. Fears prevailed for some time past that high minimum Czechoslovakian flour and grain duties would cause Hungary to retaliate by increasing the import duties on Czechoslovakian textiles, but a provisional most favored nation agreement has been arrived at recently between the two countries. This agreement will go into effect on September first and remain in force until a final treaty is agreed upon.

The Australian textile business with Hungary will probably be favorably influenced by the Austrian Hungarian treaty which became effective August 15, 1926, the Hungarian import tariff on Austrian cotton yarn and fabrics having been reduced by the treaty. The treaty is expected to stimulate business, because Hungarian buyers have held back purchases in expectation of the new duty arrangement.

It seems probable that the present low level of textile business in Czechoslovakia and Austria will continue except for a temporary improvement which may take place in the immediate future. There seems to be little doubt that the cotton mill activity in both countries will be further reduced, as the present production level is based upon old contracts which exceed by far the volume of new orders received. The demand for cotton in these countries will, in all probability, with the exception of some slight temporary improvement, continue unfavorable for some time, unless some material and unexpected change in demand for cotton goods sets in. Some seasonal increase in demand for cotton for near sailing dates can be expected, but later business is uncertain. The price of finished goods is being reduced in these countries, but it is lagging behind reductions in raw cotton prices.

Reports of the Czechoslovakian spinners association show a much reduced mill activity and a further reduction in the volume of new orders received in May 1926; recent information received from reliable sources indi-

cates that restriction has continued. The mill activity in May was about 80 per cent; and the production about 72 per cent of a theoretical full production (which is somewhat above 100 per cent activity on the basis of one shift).

A few factors which may be mentioned as favorably influencing the Czechoslovakian demand situation are the recent reduction in the sales tax on cotton goods, and the hopes which are entertained for an increase in Russian business in the near future. The very high Rumanian import duty on textiles which became effective April 1, 1926, has been somewhat reduced and this is also looked upon as a somewhat favorable circumstance although the duties remain almost prohibitive.

Austrian cotton mill activity in May was estimated to be about 75 per cent, whereas in April mill activity was estimated to be about 82 per cent. According to reliable information further reductions have since taken place. Yarn production in May amounted to about 4,083,763 pounds and sales 1,239,762 pounds, which gives a very unfavorable ratio of about 30 per cent. Similar figures for April 1926 were 4,290,000 pounds and 1,570,000 pounds, with a ratio of about 36 per cent. The amount of unfilled orders on May 31, 1926 was 7,556,232 pounds and on April 30, 1926, about 8,700,000 pounds. Yarn stocks on May 31, 1926, amounted to 3,792,646 pounds and on April 30, 1926, 3,818,206 pounds. The above figures are on the basis of reports from 92 per cent of all spindles.

It is of special importance to note the unfavorable ratio between production, on old contracts, and sales. This indicates the trend of future production. It may be expected that further reduction in activity will be relatively greater in Austria than in Czechoslovakia, unless unforeseen changes in the market possibilities occur.

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